

DISPATCH

CLASSIFICATION
SECRET

PROCESSING ACTION

TO Chief of Station, ☐FROM Chief of Base, ☐

FROM Chief SB, via Chief LUR

SUBJECT CASCOPE/REDTOP CASCOPE Clandestine Reporting Capability
on Yugoslavia

ACTION REQUIRED - REFERENCES

REFERENCE: EGMA-75965, 18 April 1972

1. The BKTRUST position is quoted correctly in both Paragraphs 1 and 2 of reference, and consequently we were quite surprised to receive the samplings you forwarded of CASCOPE reports on Yugoslavia. The reports do not appear to emanate from legal travellers, but suggest an internal asset capability. Inasmuch as we have belabored the point in each CASCOPE annual project review that CASCOPE has demonstrated no internal asset capabilities in the Soviet Bloc areas, the subject sampling raises a plethora of questions and enigmas. We readily agree that a sampling of seven reports is insufficient to permit definitive conclusions, but it does at least point out the need for us to thoroughly analyze the body of CASCOPE production on Yugoslav and other Soviet Bloc targets. (We are excluding East Germany in the course of this discussion.)

2. Since none of the seven reports can be confirmed or confidently refuted through an all-source check, we are unable to determine source(s) bona fides. However, we note that CASCOPE questions the veracity or logic of some of the information and we concur with them in general. The type of information, its presentation and format suggest that one source may be responsible for all reports. If this is true, the source has wide access. If we could determine his bona fides, we would appreciate the opportunity to direct him to targets of higher priority. Should his bona fides be negated, then we should issue a burn notice and prevent the dissemination of his reports within the intelligence community.

Distribution:

Original & 1 - COS, ☐
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5 Jun 72

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3. We believe that it would be desirable for the Base to approach CASCOPE and discuss the subject with them in an effort to obtain operational background on CASCOPE acquisition of this information. In addition, please forward all the pertinent production to Headquarters for analysis. We feel the matter should be handled as expeditiously as possible. At this point we are unable to alter our decision in regards to release of the ASSOTW to CASCOPE.

4. Since we cannot exclude the possibility of fabrication and since the format and substance of the reports are reminiscent of past fabricators, we pass along the following background information which may be useful in discussions with CASCOPE. We realize that there is nothing specific to associate the seven CASCOPE reports with the following case, but on the off-chance there may be a connection we felt you should be made aware of this information. Via a penetration of the [] organization, we learned that up to at least 1966 [] was in contact with one Siegfried Kreiner, born 18 October 1915 in Maribor, Yugoslavia, who lived at Karawankenzelle 15 (III) in Klagenfurth, Austria. Kreiner was the principal agent of an alleged net which operated in Yugoslavia obtaining OB information. The list of "agents" included former Yugoslav army and air force officers. BKTRUST assesses Kreiner as a fabricator and opportunist. The [] penetration also told us that CASCOPE was possibly involved. [] gave all of Kreiner's production to CASCOPE and when one of the agents associated with Kreiner died in Austria, and [] attempted to pick up his belongings, the Austrians told [] that CASCOPE had picked up all the papers of the deceased.

5. The subject of this dispatch raises the question as to whether CASCOPE has other reporting "assets" in Soviet Bloc areas. We have always been given the impression that there were none. We would therefore appreciate it that all CASCOPE reports on the Soviet Bloc be forwarded to Headquarters and that they be carefully screened prior to being disseminated to USAEUR or USAFE. If there is any suspicion that any report may emanate from an in-place asset, please do not pass it to Field customers. We have reason to believe, for example, that CASCOPE is receiving reports on Hungarian military rail-road matters, allegedly emanating from in-place assets who are also reporting to the [] as well as other services. Please be alert to any reports which might fall into this category.

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